

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1407 – SB 1431

February 3, 2016

**SUMMARY OF ORIGINAL BILL:** Grants in-state tuition and fees at public higher education institutions to dependent children, under the age of 23, of military parents regardless of the dependent child's domicile or place of residency if the military parent perished as the result of a targeted attack that occurred in Tennessee.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue – Exceeds \$12,000/TBR and UT System

**SUMMARY OF AMENDMENT (011844):** Deletes the provision of the original bill that defined a state institution of higher education and replaces it with a provision that defines such institutions as any public postsecondary institution operated in this state.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- In order for the dependent child to be granted in-state tuition, the following must be met:
  - The dependent must be enrolled as a full-time student at a state institution of higher education prior to attaining 23 years of age; and
  - The dependent's parent must be an active member of the U.S. military or the Tennessee National Guard who died during an act of violence perpetrated in Tennessee while the parent was engaged in the performance of assigned military duties.
- The dependent will remain eligible until one of the following events occur:
  - The dependent earns an undergraduate degree or certificate prior to reaching the age of 23 years old;
  - The dependent earns 135 semester hours excluding remedial or developmental hours; or

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- The dependent has attempted 150 semester hours inclusive of required remedial or developmental hours.
- Due to a number of unknown factors, it is difficult to determine an exact number of dependent children who would fall under these requirements and who would not currently receive in-state tuition and fees. Based on the narrow eligibility qualifications, it is assumed the number of qualifying students will be small.
- According to the University of Tennessee (UT) and the Tennessee Board of Regents (TBR), this bill would affect a very small population and would only have an impact should the student apply to one of Tennessee's public institutions of higher education and also live out of state.
- Any fiscal impact will be dependent upon on which institution the qualifying dependent chooses to attend and the difference between in-state and out-of-state tuition and fee rates at that institution.
- The difference in in-state and out-of-state tuition and fees at a two-year TBR community college is currently \$11,970 for an academic year.
- The difference in in-state and out-of-state tuition and fees at a four-year TBR university is currently \$15,347 for an academic year.
- The average difference in in-state and out-of-state tuition and fees across the UT system is currently \$17,024 for an academic year.
- It is assumed that any qualifying dependent child will receive in-state tuition for at least three years. It is further assumed that at least one dependent child will receive in-state tuition every three years; therefore, only one qualifying child will receive in-state tuition each year.
- At a minimum, each year a qualifying child receives in-state tuition, the decrease of revenue will exceed \$12,000 to the TBR and UT system.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/rbp